

# EXHIBIT 1

## Stephen Stern

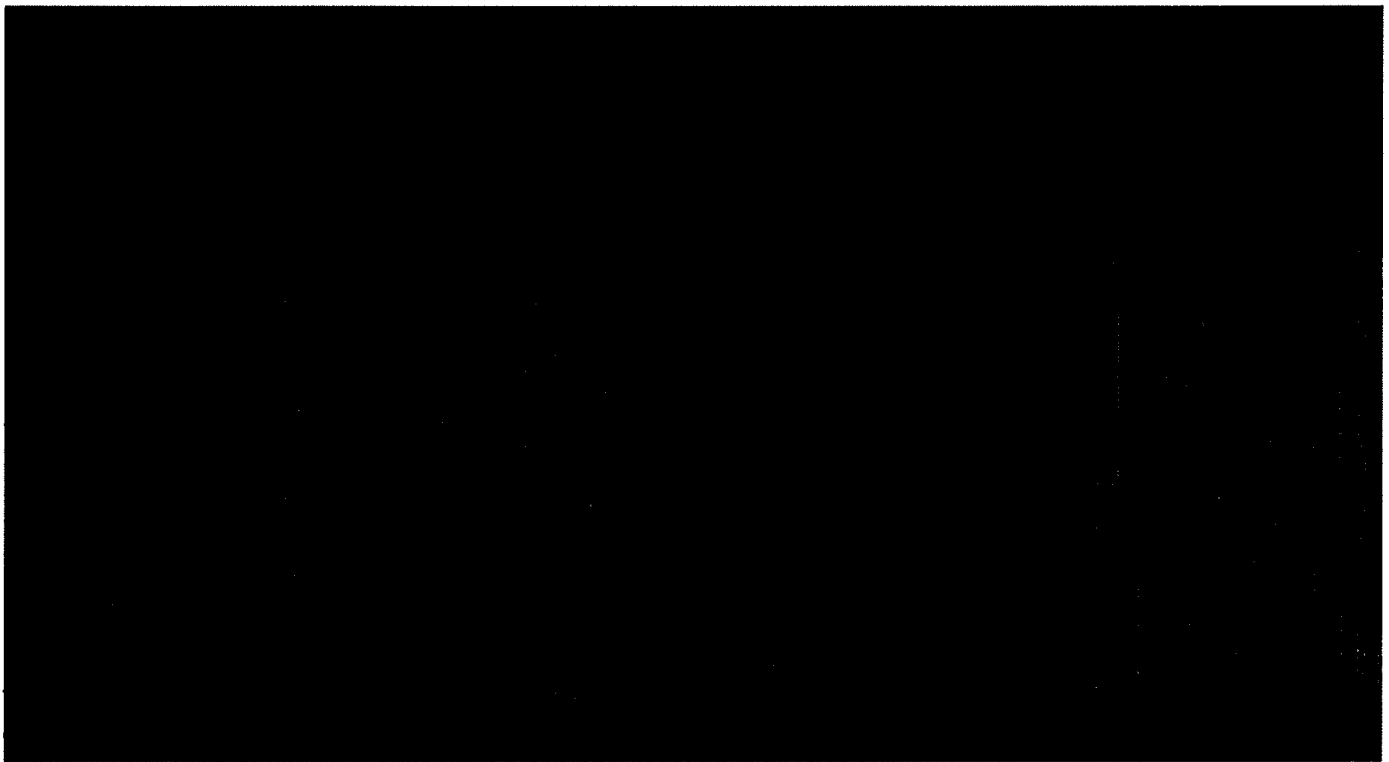
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**From:** Stephen Stern  
**Sent:** Friday, June 28, 2019 6:06 PM  
**To:** Chris Wesner Law  
**Cc:** Douglas S. Draper (ddraper@hellerdraper.com); Leslie Collins; Robert R. Kracht (rrk@mccarthylebit.com); Nicholas R. Oleski  
**Subject:** RE: Settlement Offer

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Chris:

The purpose of this email is to confirm that Tagnetics agrees to the additional terms you have proposed on behalf of your clients. To this end, Tagnetics agrees to pay:



We are glad that we were able to get this resolved. In the meantime, if you have any questions, please let me know.

Stephen

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**From:** Chris Wesner Law <chriswesnerlaw@gmail.com>  
**Sent:** Thursday, June 27, 2019 1:02 PM  
**To:** Stephen Stern <Stern@kaganstern.com>  
**Subject:** RE: Settlement Offer

So I know what to report to my client, I assume that your counteroffer includes voluntary dismissal of the claims, which was one of the terms I communicated to you. Please confirm. – Yes.

Also, please explain the need for depositing the settlement sums into escrow prior to payment. I am not sure I understand the need for such a step if the voluntarily dismissal is conditioned on payment to your clients. In other words, if the payment is never made, we would not be able to insist that the claims are dismissed. – My Clients want to make sure there are funds available prior to the Motion for Voluntary Dismissal would ever be filed. Escrow seems to be a perfect vehicle for this, but I am open to pass along other ideas which your client may wish to present.

Lastly, is it your contention that your clients are entitled to recover their attorneys' fees if they prevailed at trial in this matter? I don't believe so. If so, please let me know the basis for the claim.

I will share your requests with my client to consider, but I want to make sure my client and I understand the context/bases for these added requests.

Thank you,  
Stephen

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**From:** Chris Wesner Law <[chriswesnerlaw@gmail.com](mailto:chriswesnerlaw@gmail.com)>  
**Sent:** Thursday, June 27, 2019 8:05:57 AM  
**To:** Stephen Stern  
**Cc:** [drkwkayser@gmail.com](mailto:drkwkayser@gmail.com); [bob@stek-inc.com](mailto:bob@stek-inc.com)  
**Subject:** Settlement Offer

Mr. Stern,

Tenatively, both KVL and S-Tek would be in agreement with a full and complete settlement as offered by Tagnetics, provided that their [REDACTED] would be covered by Tagnetics. I would estimate that those [REDACTED] Additionally, they would require that good funds be deposited or held in escrow prior to the entering into such an agreement. I believe that all petitioning creditors would, of course, need to be made aware of any such arrangement prior to it's proposed execution.

Thanks,

Chris

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